

VZCZCXYZ0000  
OO RUEHWEB

DE RUEHBU #1576/01 3241519  
ZNR UUUUU ZZH  
O 191519Z NOV 08  
FM AMEMBASSY BUENOS AIRES  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2493  
INFO RUCPDO/USDOC WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RHMFIUU/HQ USSOUTHCOM MIAMI FL  
RUCNMR/MERCOSUR COLLECTIVE  
RUEHKO/AMEMBASSY TOKYO 0867  
RUEHUL/AMEMBASSY SEOUL 0164  
RUEHBS/USEU BRUSSELS

UNCLAS BUENOS AIRES 001576

SIPDIS

EEB/CIP FOR AMBASSADOR DAVID GROSS, ANNE JILLSON  
DEPARTMENT FOR FCC  
USDOC FOR 4322/ITA/MAC/OLAC/PEACHER

E.O. 12958: N/A

TAGS: [ECON](#) [EINV](#) [PREL](#) [ECPS](#) [ITU](#) [OVIP](#) [TSPL](#) [TINT](#) [AR](#)

SUBJECT: Argentina: Opportunity Seized to Advocate Again for ATSC  
Digital TV Standard

Reftel: (A) Buenos Aires 1279  
(B) Buenos Aires 1358

11. (SBU) SUMMARY. Embassy Buenos Aires leveraged a recent visit to Argentina of Robert Graves, President of the Advanced Television Systems Committee (ATSC), to arrange visits with senior media and GOA officials, furthering advocacy for the ATSC DTV standard. An updated and enhanced ATSC offer was delivered to the GOA, including a new offer to digitize state-owned Channel 7, and Graves reiterated longstanding ATSC offers of a manufacturing plant, patent discounts, training, and technology transfer. Graves, Emboffs, and ATSC industry reps met with senior executives from Argentina's dominant media company the Clarin Group, senior executives of Channel 7, the Director of the Federal Broadcasting Service, and the GOA Communications Secretary. Embassy also assisted Graves to transmit the full offer in writing to GOA Planning Minister de Vido. While ATSC has budget constraints that limit its ability to push its standard, Post has ensured that appropriate GOA decision makers were made aware of the ATSC standard's strong economic offer that supplement its already robust technical advantages. With the timing of a GOA decision on a choice of standard is still unknown, Post continues to encourage industry (ATSC and its member companies) action focused on its economic offer, in what could be a golden opportunity to influence the GOA's decision on its future DTV standard. END SUMMARY.

-----  
Leveraging ATSC visit to Buenos Aires  
-----

12. (SBU) Robert Graves, President of the Advanced Television Systems Committee (ATSC), visited Buenos Aires October 28-29, primarily to attend the Argentine Chamber of Broadcaster Providers and Manufacturers (CAPER) convention (and where Emboffs attended the presentations given by representatives advocating the Japanese, European, and ATSC standards). Embassy, in light of recent indications that the GOA could be nearing a decision on a DTV standard (refs A and B), arranged for Graves to visit with senior media and GOA officials who will play a role in any decision (details below). (In drafting our Embassy press released on the ATSC visit to Argentina, Graves reminded Post and industry reps that we should not call this the "U.S. standard," but rather an "international standard.")

13. (SBU) Post had briefed Graves in September of Argentine media conglomerate Clarin's suggestion to consider adding to its GOA offer a pledge to digitize state-owned Channel 7, one of Argentina's top-rated open-air television stations (ref A), and emphasized the need to make the offer attractive politically, not merely advocating

its technical merits. Graves and ATSC member companies subsequently crafted such an enhanced offer, which was included in his briefings with industry and GOA officials. In these meetings, Graves reiterated that ATSC's original, 2006 proposal still stood, with the additional offer to digitalize Channel 7. The other main aspects of the offer include an investment in a Argentine manufacturing plant for LG Plasma and LCD TV sets (which could create 500 jobs), a 75% discount on patents, the creation of an R&D fund in Argentina supplied by patent revenues, a transfer of technology from patent holders exclusively to Argentina, and financing options for the transition from analog to digital for broadcasters.

-----  
Clarín Group  
-----

¶4. (SBU) ATSC's Robert Graves, LG Electronics/President of Zenith R&D Lab Dr. Jong Kim, Embassy's Senior Commercial Officer (SCO), and Press Attache met with two senior executives from Argentina's dominant media company, the Clarín Group, Vice President Jose Aranda and IT & Telecommunications Corporate Manager Juan Kedzierski. Aranda had been the first to suggest to the Embassy the idea of digitizing state-owned Channel 7 as part of an updated ATSC offer (ref B). Participants discussed how this idea was incorporated into the ATSC Forum's latest proposal to the GOA, which would involve Korea-based LG paying for the digitalization equipment by tapping into the R&D funds that are part of the original offer. Once the ATSC standard has been chosen, and the 75% of the royalties generated from the ATSC patents are flowing into the R&D fund, LG will be reimbursed for its Channel 7 digitalization. LG has told EmbOffs that it is also interested in converting a station outside of Buenos Aires in the same manner.

¶5. (SBU) Participants also discussed breakthroughs in the ATSC mobile standard. Previously, ATSC's mobile capabilities were considered a weak point in the standard, and are an issue used by competitors of the ATSC standard. Graves told Clarín and EmbOffs that mobile multi-casting is built into the latest ATSC standard's version, something the Japanese standard does not have.

¶6. (SBU) Clarín representatives asked Graves and EmbOffs that they not be credited for the idea of digitizing Channel 7, as its ongoing disputes with the GOA could endanger the proposal being accepted. They stressed the need to explain the price advantages of the ATSC equipment to the consumers and the GOA (for example, Japanese standard TVs are 50% higher than ATSC TVs), and that Japanese standard TVs would most likely have to be imported from Brazil, as opposed to being made in Argentina in line with the LG offer. Clarín, Graves and EmbOffs agreed that these economic and political factors would be more important to GOA decision makers than any technical features the ATSC standard has (lower energy consumption and wider coverage, greater bandwidth efficiency, for example).

-----  
State-owned Channel 7  
-----

¶7. (SBU) Graves and FCS SCO then met with Channel 7 executives Tristan Bauer, President, National System for Public Media, Mateo Gomez Ortega, Administrative Coordinator, and Antonio Gennaro, from the Agennaro Media Technology company. Graves and Channel 7 executives zeroed in on the technical aspects of the ATSC standard, as well as ATSC's offer to digitalize Channel 7. In addition to the digitalization offer, Graves stressed ATSC's offer to work with Argentine universities on digital TV services development, training courses, and channel planning, which would be provided free of charge and using software developed by the FCC. Channel 7 representatives openly expressed interest in the proposal, and had many follow-on questions.

-----  
Head of Federal Broadcasting Service  
-----

¶8. (SBU) Graves then met with Mr. Gabriel Mariotto, head of COMFER, GOA's Federal Broadcasting Service (FCC equivalent). Present at the meeting was Dr. Jong Kim, LG Electronics/President of Zenith R&D

Lab, ATSC Forum representative Juan Carlos Guidobono, Dolby consultant Carlos Klachquin, FCS SCO, FCS Commercial Officer, EconOff, and the Embassy of South Korea press attache Seung chul Yeo. Graves and Guidobono together briefed Mariotto about the updated ATSC offer. On several occasions during the meeting, Mariotto expressed his great interest and support for the "solid, fully integrated, and serious" offer. Mariotto said that he and a member of his staff had recently gone to Japan to visit GOJ officials and industry leaders. Ironically, he noted that industry leaders frankly admitted that they did not have any strong preference for which standard Argentina chooses, as they were ready to provide equipment for any standard. (Emboffs were later told by a local industry source that Mariotto came back from Japan disappointed that he did not have the hoped-for offers for investment from GOJ officials or industry).

¶9. (SBU) Mariotto also mentioned that Japan-based NEC representatives have indicated that they have plans to test a digital transmitter at state-owned TV Channel 7. Mariotto did say that Brazil's decision to go with the Japanese standard would "have some weight" with Argentina, but that other economic and technical issues would also come into play. Mariotto indicated that a decision would be made before the end of this year. Afterwards, Mariotto's chief of staff called FCS commercial specialist to inform us that Mariotto was enthusiastic about the meeting and ATSC.

-----  
Communications Secretary Salas  
-----

¶10. (SBU) Graves then met with GOA Communications Secretary Lisandro Salas, a regular Embassy interlocutor and who reports directly to powerful GOA Planning Minister Julio De Vido. Also present was ATSC Forum representative Juan Carlos Guidobono, Dr. Jong Kim, LG Electronics/President of Zenith R&D Lab, Dolby consultant Carlos Klachquin, FCS SCO, FCS Commercial Officer, and EconOff. Graves and

Guidobono went over the offer with Salas. Salas indicated that he had just returned from a trip and would need time to fully review the package, but expressed his interest and gratitude for the information. Salas indicated that he could not estimate when a decision would be made, but that it would be made at the "highest levels" of government, maybe by the president herself.

-----  
Follow through with Planning Minister De Vido  
-----

¶11. (SBU) After being unsuccessful in scheduling a meeting with Planning Minister De Vido, Graves sent the full ATSC offer and background presentation to De Vido, in recognition of the fact that he will play a major role in any decision. The written offer was transmitted by the Embassy with an endorsement cover letter from the Charge d'Affaires.

-----  
Comment  
-----

¶12. (SBU) Post is satisfied that we took advantage of ATSC Forum President Robert Graves's visit to Argentina, and that ATSC was able to incorporate our suggestions to enhance their offer on how to best approach the GOA. And while we remain confident that the ATSC has the best standard from the technical standpoint, it is important that ATSC made senior GOA officials aware of the standard's strong economic (and political) advantages. While it is still anyone's guess when the GOA will choose a DTV standard, we also note that GOA decisions are sometimes sudden and unexpected. At least for the time being, we feel assured that key decision makers have the latest information on the U.S. competitor.

WAYNE